

## **Car (Used) Purchases from Dealers**

When you buy a used car from a dealer, you enter into a written contract, the document you sign which spells out your and the dealer's rights and obligations. Any oral statements or promises by the salesperson to cajole, persuade, seduce you to buy a particular car are meaningless----you can't hold the dealer accountable for them unless they are written into the contract.

Always try to negotiate on the price. Check the car's true value in the "blue book", usually found in a public library, credit union, or bank. Some consumer groups publish information on best prices for cars.

Make sure any blank spaces on the agreement are filled in so that the dealer can not do so after you have already signed. If you're not experienced at buying a car or don't understand the contract, have someone accompany you who does. Better yet, take the proposal or contract to your legal assistance attorney who can review it. If the dealer says, "Sorry, we don't let our unsigned contracts off the lot", shop elsewhere.

### **Warranties**

Beware of a used car trap: your purchase agreement probably carries no warranty. A warranty means the car will perform according to specific representations or promises made by the dealer or manufacturer, or that the car will at least run. Used cars, however, are often sold "as is"----if it falls apart after driving three miles, you're stuck. You can try to negotiate a short term warranty covering 100% or at least 50% of parts and labor.

The Federal Trade Commission has a used car rule to protect buyers. It requires all used car dealers to have a notice in the window of each used car for sale. Make sure it's there! In one case it was in the salesman's desk drawer. The notice must give the following information:

- Whether the car comes with a warranty and, if so, what specific warranty protection the dealer will provide.
- Whether the vehicle comes with no warranty ("as is") or with implied warranties only
- That you should have the car inspected by a mechanic before you buy it
- That any promises the dealer makes should be in writing
- What major problems may happen in a used car

[source: FTC Facts for Consumers, "Buying a Used Car"]

### **How Should You Pay?**

Purchasing a car is a major investment, and most of us need to borrow sufficient money to get the car of our choice. When you do borrow, you pledge the car as security for repayment of the money. If you do not repay the money you owe, the lender can repossess the car, sell it, deduct the sale price from your debt, and sue you for the remainder and the costs of the repossession and sale.

If you finance the car, you'll do it either through the dealer or through a financial institution. Shop for the best auto loan rates yourself which can be as easy as checking the newspaper. Don't be lulled into accepting whatever lender the dealer finds. Don't allow the dealer to exaggerate your creditworthiness to a prospective lender in order to secure the lender's approval of your loan. You'd be committing fraud, a criminal offense, aside from labeling yourself a spendthrift for buying a car you can't afford.

Do not give the dealer a cash or check down payment until your financing is approved. Do not take the car off the lot or leave your old car on the lot until you are sure of financing. If the dealer arranges financing, get the name of the lender. Also add the cost for insurance on the car in deciding whether you can afford it. Check with an insurance company.

Help is Available

For appointments concerning consumer and other personal legal matters, call the Legal Assistance Branch of the Office of the Staff Judge Advocate located at Building 275, Plummer Street, Defense Language Institute, Presidio of Monterey (408-242-5084 or DSN 878-5083).